

REPORT

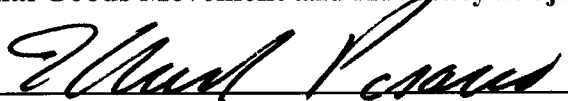
DATE: April 1, 2004

TO: Regional Council

FROM: Hasan Ikhata, Director of Policy and Planning
213-236-1944, Ikhata@scag.ca.gov

SUBJECT: SCAG Participation in Regional Goods Movement and Advocacy Project

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve SCAG staff-level participation in a regional goods movement and advocacy project being established and funded by public and private entities with an interest in identifying new funding sources at the State and Federal level, and including private capital participation, for high priority regional projects demonstrating a potential to significantly reduce trade-related congestion in the near future. The cost for the scope of work to be undertaken is \$400,000—of which 2/3rds is being provided by the Class 1 railroads and the balance by other public partners. Also, the Metrolink Board has agreed to administer this project and has approved a sole source arrangement with the LAEDC as the prime consultant.

SUMMARY:

Staff is seeking approval of the Regional Council to participate in the formation and activities of a joint venture (JV) working group that is being established and funded by the 5-county MetroLink Transportation CEO's representing the five Southern California Regional Transportation Planning Agencies (with SCAG representing regional interests inclusive of IVAG), the Southern California Regional Rail Authority, and the Los Angeles County Economic Development Corporation. Private-sector partners demonstrating a willingness to put forth and financially support project proposals will also be eligible to participate in the JV. This working group will examine high priority projects that have a demonstrated ability to effect a reduction of trade congestion and contribute to the improvement of the business environment for job growth in the SCAG region.

As part of its initial 6-months scope of work, the JV will use funding provided by JV partners to (A) develop community support; (B) outreach to businesses; consumers; local, state, and federal legislators; print and electronic media; environmental organizations; and other agencies and unions during the timeframe for the reauthorization of Federal transportation legislation and the State budget difficulties; (C) develop a proposed fee-based financing mechanism for regional, state and federal projects; and (D) prepare economic development analysis to demonstrate the economic benefits of development projects proposed.



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FISCAL IMPACT:

Approval of this request will not result in an expenditure of SCAG funds, though It is envisioned that SCAG's participation in this working group will entail the commitment of staff time and incidental travel expenses.





Joint Venture Working Group:

"A Public Private Partnership to Increase State and Federal Funding, Reduce Trade Congestion, and Create Jobs"

Overview

The 5-County Metrolink Transportation CEO's representing five Southern California Regional Transportation Planning Agencies (RTPA)'s¹, Southern California Association of Governments (SCAG also representing the Imperial Valley Association of Governments) the Southern California Regional Rail Authority (Metrolink) and the LAEDC will form a Joint Venture (JV) type of working group with the public and private sector to target high priority transportation projects that have a demonstrated impact on a reduction of trade congestion and improvement of the business environment for job growth in the 5-County Region. The pilot study program will include private sector companies and public entities that are willing to make project proposals and financially support them. Funding received from partners would be used to develop community support, outreach to business, consumers, local, state and federal legislators, the print and electronic media, environmental organizations, and other agencies and unions during next six months of the Federal reauthorization of TEA-21 and the State budget crisis during 2004. Private sector partners will financially contribute to the project through the LAEDC, a non-profit organization. As of this writing, the TEA LU proposal in the House of Representatives has the most promise for creating jobs and reducing freight and trade congestion in the region and will be the primary target of the working groups focus. As a primary focus, the joint venture will utilize the recently developed "West Coast National Freight Gateway Program." The template for this venture may be shared with other RTPA's in the State.

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Timeframe

The program is expected to take about 6 months to complete and will conclude in mid-July August of 2004. The focus will be new funding sources at the State and Federal government and private sector funding for reducing trade congestion in the near future.

Work Elements and Tasks

1.0 Project Management and Multi-jurisdictional Work Element

The five CEO's will appoint a Chair of the Executive Committee, develop a multi-jurisdictional and multi-modal framework to manage the 5 RTPA's joint venture efforts, set priorities, and reduce duplication of staff and consultants time. A resource plan and allocation process similar to the current Metrolink multi-county process will be formulated. Trade congestion reduction projects with the "Biggest Bang for the Buck" and "constructability" will enjoy the highest priority of the working group financing priorities.

1.1 Streamlining and Coordination

As much as possible, the CEO's will consolidate business and community outreach, State and Federal legislative education, communication, and media relations for reauthorization of all five CEO's into a single effort for this venture.

1.2 Partnerships

The venture will develop a strategy for organizing successful public private partnerships and bring to the table the other significant players that are impacted by trade

¹ It is acknowledged that the work of this group will need approval at critical steps by the respective policy boards of the RTPA's.





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congestion like the railroads, truckers, shipping community, seaports, airports, environmentalists, developers and retailers. Additional public and private sector partners must be willing to also pay to play.

1.3 Deliverables and Expectations

- Project Budget and Schedule
- Multi-jurisdictional/Multi-modal Project Priority Process and Streamlining
- Partnership Agreements with interested Private Sector and Public Sector Agencies and the State BT&H for May Revise and Federal Re-authorization

1.4 Management Element -- Six-Month Resource Allocation

Description	Total Time (%)
Agency Staff	TBD
Metrolink Staff	TBD
SCAG Staff	TBD
Wally Baker	30%
Bob Hertzberg	20%
Pete Wilson	20%
George Deukmejian	40%

2.0 Funding and Finance Work Element

The RTPA staffs and the consulting team will develop a proposed fee based financing mechanism for regional, State and federally beneficial projects. The SCAG proposed "Operation Jump Start" financing proposals will be included in the evaluation. The team will work closely with existing staffs, the private sector, local projects, local, State and Federal agencies, and thought leaders to find a revenue stream and formula that is system wide, mode/market neutral, defensible, affordable and can be implemented on a potentially statewide basis.

2.1 Deliverables and Expectations

- Fee based funding tied to State Budget (May Revise) and Federal Re-authorization
- Bond finance evaluation with congestion fee as the revenue stream
- Dedicated tax and tax rebate as revenue stream for trade congestion projects

2.2 Funding Element -- Six-Month Resource Allocation

Description	Total Time (%)
Agency Staff (5)	TBD
Metrolink Staff	TBD
SCAG Staff	TBD
David Seltzer	100%
Gill Hicks	100%
Pete Wilson	10%
George Deukmejian	20%
Bob Hertzberg	10%
Wally Baker	10%
Norm Emerson	50 %

3.0 Legislative Outreach Plan

As much as possible the legislative plan will leverage the existing lobby firms used by the 5-County CEO's, SCAG and Metrolink in Sacramento and Washington, DC and develop a legislative and community outreach that will encourage support by all stakeholders. If possible, special programming or features would be pursued with the media, with funding by outside private or public sources.

3.1 Deliverables and Expectations

- Major venture partnership kick-off



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LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION

The Center of Economic Development



- Local community support plan
- State and Federal legislative plan

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3.2 Outreach Element -- Six-Month Resource Allocation

Description	Total Time (%)
Agency Staff (5)	TBD
Metrolink Staff	TBD
SCAG Staff	TBD
Wally Baker	20%
Bob Hertzberg	30%
Pete Wilson	30%
Norm Emerson	50%

4.0 Economic Development Impact Work Element

Develop a compelling case for economic development -- with results from AB 2928, the LA-Inland Mainline Rail Study, the 10-day Port Shutdown Study, and the OnTrac Trade Impact Study. Information and studies will be used for educational and communication visits to Sacramento and Washington, DC. Critical analyses will include impacts on jobs, traffic congestion and air quality, performed with the assistance of SCAG. Presentations and briefings with regional "economic alliances" and associations like the Contract Cities Association, local Councils of Government, and the Independent Cities Association will be pursued.

4.1 Deliverables and Expectations

- Regional compelling case for reducing trade congestion
- Summarize existing studies
- Make presentations and briefings

4.2 Economic Development -- Six-Month Resource Allocation

Description	Total Time (%)
Agency Staff (5)	TBD
Metrolink Staff	TBD
SCAG Staff	TBD
Wally Baker	20%
Bob Hertzberg	20%
Pete Wilson	20%
George Deukmejian	40%

5.0 Media Relations Work Element

Develop a media plan -- that includes specific materials for educating editors, reporters, and news directors. JV consultants would meet with every editor and news director in the 5-County region to establish support for a goods movement and trade focus in newspapers, radio and television.

5.1 Deliverables and Expectations

- Pitch news editors and directors on importance & increase coverage
- Media placement of CEO's and venture partners
- Deliver a multi-media presentations and educational effort for the region

5.2 Media Element -- Six-Month Resource Allocation

Description	Total Time (%)
Agency Staff (5)	TBD
Metrolink Staff	TBD
SCAG Staff	TBD
Wally Baker	20%
Bob Hertzberg	20%
Pete Wilson	20%



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LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION

The Center of Economic Development

George McQuade

100%

Personnel

RTPA Staffs

Each CEO will assign the equivalent of at least one staff member or consultant to work on the initial team as needed. Metrolink would procure such services, not already available through the RTPA's, with an allocation share to be determined. Staff resources would be changed as needed. A great deal of staff assistance is necessary for Elements 2, 3 & 5.

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LAEDC Team

The role of the LAEDC Consulting Practice on the joint venture is to assemble a team of highly credible consultants to develop the strategies; deliver action plans; and manage the day-to-day implementation of the project in cooperation with the exiting RTPA staff.

The LAEDC consultants must include:

- Former Governor Pete Wilson
- Former Governor George Deukmejian
- Former Assembly Speaker Robert Hertzberg
- LAEDC Senior Vice President Wally Baker
- Norm Emerson -- Project Specialty -- Funding, Legislative and Administrative Process
- David Seltzer -- Project Specialty -- Federal Scoring and Finance
- Gill Hicks (Container Fees) -- Project Specialty -- Goods Movement Process
- George McQuade (Media Relations) -- Project Specialty -- Media Placement & Relations

Additional consultants, some who are already under contract with the RTPA's should be identified as needed and used on the project.

LAEDC Project Budget

The LAEDC Consulting Practice budget is a fully loaded fixed cost of \$400,000 for the entire 6 months or \$66,670 per month. It is recommended that each partner pay a third of this monthly cost as a part of their partnership agreement. LAEDC will work to attract additional private sector funds to reduce the share of the initial funding agencies (RTPA's and the railroads) if so requested. Using existing staff resources of the RTPA CEO's is anticipated in this fixed price budget and will be critical in keeping the project on schedule and on budget. In addition to the following assignments for consultants, the RTPA staff resources will be especially needed with the Funding, Outreach, and Media Work Elements. Travel and meeting expenses can only be estimated and will be pre-approved by the Joint Venture Executives.

Cost Sharing

We expect to divide the monthly cost three ways between the Metrolink RTPA's and the two private sector railroads at a cost of \$133,000 each for the entire 6 month period for a total of \$400,000.

Staff Costs

The estimated cost of existing staff must be worked out between the RTPA CEO's because of individual agency overhead, labor cost and benefits. Existing RFP forecasts may be useful in determining the cost of the RTPA staffs.



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